



Tourism & Events Department
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To: David Scholefield, Chairperson
Tourism Development Commission

From: Steve Geiogamah, Tourism Development Manager

Date: January 17, 2017

Subject: NCHA Scottsdale Western Nationals Event Sponsorship

The NCHA Scottsdale Nationals event funding proposal is attached for the commissions review. The National Cutting Horse Association is requesting \$30,000 annually for two years to support the event.

In response to a WestWorld bid to host the 2017 and 2018 NCHA Western Nationals Championship event, the National Cutting Horse Association chose WestWorld as the site of the premier horse event.

For ten consecutive days, the event will feature a trade show and 12 NCHA-approved weekend show classes, offering a total of \$150,000 in added money and a total prize payout of more than \$300,000. The event typically brings 1,200 entries and 700 horses, with participants coming from the entire Western and Central United States and Canada.

On March 15, 2016, City Council approved a TDC recommendation to support a WestWorld's bid response that included reasonably necessary venue services and no more than \$60,000 in direct dollar bed tax funding.

Analysis & Assessment

City staff has evaluated the proposal to identify the potential benefits of the event to the City and the local tourism industry.

Along with the opportunity to showcase WestWorld as a premier nationally recognized multi-use events facility, among the greatest benefits of hosting a horse event of this scale, is the direct local economic impact of the Western Championships as well as the widespread exposure Scottsdale will receive promoting its world-class destination and appealing lifestyle.

According to the event producer, estimated room nights associated with the Western Championship events are expected to exceed 650.

In order to enhance the city's event sponsorship evaluation process, the city has retained a qualified marketing research consultant, Bruce Skinner and Associates, to measure, analyze, and report the media impact and benefits associated with a proposed event sponsorship. The report is attached.

Funding Availability & Potential Options

There are currently event funds available to support the event in the Tourism Development Fund for new event development. Pending TDC discussion, the following are options for consideration:

- 1) Recommend new event development funding for all or part of the requested amount of \$30,000 annually for two years.
- 2) Direct staff to further evaluate the event's potential, event development partnership opportunities and the resulting return on investment.
- 3) Take no action or additional event evaluation.

Alternatively, if there are additional questions or information needed for further consideration, staff will proceed accordingly.



Visit Scottsdale

Event Name:	National Cutting Horse Association Scottsdale Nationals
Dates:	May 4 – 11, 2017 May 5 – 12, 2018
Location:	WestWorld of Scottsdale 16601 N Pima Rd Scottsdale, AZ 85260
Host Hotel(s):	The National Cutting Horse Association is currently working with Mr. Carter Unger on Scottsdale host hotel options for 2017. The NCHA has requested a room block of 200 Scottsdale room nights for Staff, 77 Scottsdale room nights for Judges and 665 Scottsdale room nights for Contestants. These figures are conservative and anticipated to increase for the 2018 show and do not include RV usage estimates.
Who We Are:	<p>The National Cutting Horse Association has an active membership of more than 15,000 successful, rural men and women with large, close families, who lead a very active Western lifestyle centered on the cutting horse.</p> <p>Nearly half of the membership make a conscious decision to give partners brand preference and act upon this preference to purchase goods and services.</p> <p>Members invest heavily in the quality of the goods and services they use in their daily lives and in the sport.</p> <p>Membership Household Income:</p> <ul style="list-style-type: none"> 20% (\$74,999 or below) 15% (\$75,000 - \$99,999) 37% (\$100,000 - \$249,999) 16% (\$250,000 - \$499,999) 12% (\$500,000 or above)



Visit Scottsdale

Event

Description:

The Scottsdale Nationals spotlights the National Cutting Horse Association's grassroots cutters, and shows support of the weekend shows that drive NCHA's growth. The talent assembled at the Scottsdale Nationals gets a five-star rating.

The prestigious show will attract more than 600 entries from across the United States and Canada. Contestants will vie for National titles for the 2016 point year in 12 divisions of NCHA competition, including Open Novice, Non Pro, Amateur, Junior and Senior Youth.

The Open and Novice classes will see NCHA Hall of Fame riders going head-to-head competing for an estimated \$300,000+ in prize money.

Each year, contestants from around the world compete for more than \$30 million in prizes in National Cutting Horse Association produced or approved shows.

Admission to the Scottsdale Nationals is free and the event will also feature a western lifestyle trade show with an anticipated 20-30 vendors, offering clothing, custom leather and gifts. Action kicks off each day at 8am.

Attendees:

The 2017 and 2018 Scottsdale Nationals will not only bring contestants to Scottsdale, but friends, family members, trainers and fans from across the country.

2017 marks the first year that the National Cutting Horse Association has produced an event in Scottsdale, Arizona. The NCHA sanctions over 1,800 events across the world annually, but only produces 6 events. Fans and competitors of the NCHA know that NCHA produced events boast a tremendous production value coupled with increased prize money not commonly seen in equestrian associations. It is anticipated that this event will grow with popularity among attendees each year.



Visit Scottsdale

Exposure to Scottsdale:

The 2017 and 2018 Scottsdale Nationals will stimulate the fundamental decision to travel and visit Scottsdale as it is a world-class cutting competition that annually brings competitors from across the country and Canada. As described in the advertising package below, NCHA is committed to actively promoting this event and driving participation. The City of Scottsdale will be receiving the following digital advertising at no cost to the City for 2017 and 2018 respectively:

Video Pre-roll – (Value \$4,550)

- Video Pre-roll 15 – 30 seconds long during the NCHA Super Stakes Triple Crown event (March 23 – April 15, 2017)
- Viewable each time NCHA LIVE web cast is opened
- Minimum impression amount of 130,000

Two Week Page Wrap Schedule - (Value \$4,635)

- Right & left page wraps with hot link capability on the new NCHA.COM
- 4 weeks prior to NCHA Scottsdale Nationals event
- Estimated impression amount is 103,000+

728 X 90 Digital Advertisement - (Value \$31,430)

- 728 X 90 digital advertisement with hot link capability
- Viewable on the new NCHA.COM throughout the term of the agreement
- Estimated impression amount is 898,000+

300 X 250 Digital Advertisement - (Value \$26,940)

- 300 X 250 digital advertisement with hot link capability
- Viewable on the new NCHA.COM throughout the term of the agreement
- Estimated impression amount is 898,000+

Investment Summery Total: Value \$70,555



Visit Scottsdale

Digital Audience: 2.6 million views of nchacutting.com in the past 12 months (September 2015 – September 2016)

21% new viewers during this same period over previous year

NCHA has a strong digital presence and our social media audience is steadily growing, both in the U.S. and internationally.

Local Affiliate: The National Cutting Horse Association has also collaborated with the local affiliate (Arizona Cutting Horse Association) to assist in promoting and encouraging members to visit and compete. The historical attendance of the Scottsdale Nationals has proven that these events are well attended.

Horse owners and competitors are the perfect target upscale resort visitor as they travel frequently and stay for extended periods due to the competition schedule. Owners and competitors will stay and play in Scottsdale for the duration of the show and bring their friends and family members along to shop and dine in the community.

Sponsorship Levels:

Local partners that are interested in developing a sponsor relationship with the NCHA will have the following options:

Title Sponsor:	\$50,000 - \$75,000
Presented By:	\$25,000 - \$75,000
Arena Signage:	From \$200 - \$1,500+ depending on location
Program Ads:	From \$305 - \$1,210+ depending on size and frequency

Chatter Magazine: In addition to the substantial digital presence mentioned above, the City of Scottsdale logo will be prominently displayed in Cutting Horse Chatter. The Chatter is the industry magazine produced by the National Cutting Horse Association and is received by every member, monthly.



Scottsdale Nationals Event Title NCHA Partnership Proposal Brief

Partnership Overview: Title sponsor and NCHA look to join forces in an exclusive comprehensive national marketing partnership to include the title rights for one of NCHA's premier events the NCHA Scottsdale National.

Additional marketing elements include: NCHA LIVE (web-broadcasts), NCHACUTTING.com and direct NCHA member engagement. All elements designed to promote awareness and provide a call to action. The following document summarizes the marketing rights & benefits starting January 2017 through December 2020.

A. NCHA OFFICIAL STATUS

a. Official Status & Designation

Official Partner of the NCHA

b. NCHA Trademarks & Images Usage

Use of official logos, images, intellectual property of the NCHA

c. NCHA LIVE and NCHA CUTTING.com Official Status:

Logo placement in all areas designated to recognize "Partners" on NCHA LIVE and NCHACUTTING.com

d. NCHA Event Promotion Materials

Logo inclusion on posters, flyers and additional collateral materials produced

e. NCHA Collateral Material:

Logo inclusion on marketing and corporate collateral materials produced by the NCHA

B. Scottsdale National

a. Title Elements:

Logo integration into the event title

Title sponsors name and/or logo shall be included in all press releases, announcements, social media and press conferences

Local market media inclusion

b. Event elements:

Premium NCHA LIVE web broadcast digital media placement

Live Event promotions

Exclusive digital and fixed signage

Event program ads

Arena Concourse and/or Retail Trade Show booth space

C. PREMIUM DIGITAL MEDIA AND ADVERTISING PACKAGE ON NCHACUTTING.COM and NCHA LIVE (web-broadcasts)

D. PREMIUM 12 MONTH CHATTER MAGAZINE AD SCHEDULE

E. FAN AND MEMBER ENGAGEMENT ASSETS

- a. Email blasts to all NCHA Members
- b. Social media assets
- c. Direct mails to all NCHA Members

PARTNERSHIP INVESTMENT SUMMARY:

Term: January 2017 – December 2020

Annual Investment: 2017-2019 \$52,000



2017 National Cutting Horse Association Scottsdale Nationals Review of Event & Tourism Impact

Situational Analysis

The National Cutting Horse Association features the exciting contest of horse against cow, which replicates the work of American cowboys on ranches dating back to the 19th Century. The Association has an active membership of more than 15,000 successful, rural men and women with large, close families, who lead a very active Western lifestyle centered on the cutting horse. The membership also has an extremely high demographic, which is consistent with Scottsdale's target audiences.

The Scottsdale Nationals spotlights the Association's grassroots cutters, attracting more than 600 entries from across the U.S. and Canada. Contestants will vie for National titles for the 2016 point year in 12 divisions of NCHA competition, including Open, Novice, Non Pro, Amateur, Junior and Senior Youth.

The Open and Novice classes will see NCHA Hall of Fame riders going head-to-head competing for an estimated \$300,000 in prize money. The event admission is free, and will also include a western lifestyle trade show.

2017 marks the first year that the National Cutting Horse Association has produced an event in Scottsdale. The NCHA sanctions over 1,800 events annually around the world, but only produces six.

The Association is requesting a two year annual sponsorship of \$30,000 for 2017 (May 4-11) and 2018 (May 5-12).

Pertinent Questions

1. Will the name "Scottsdale" be used at all times in event marketing and promotions?
2. Will the event be providing enough exposure to the City to justify its investment? What public relations efforts will organizers be conducting locally to complement promotions to their national endemic audience?
3. What is the projected economic impact and how many room nights will be generated?
4. How will organizers measure media and marketing value for the Scottsdale sponsorship?

5. The event is generating room nights for staff, judges and contestants; will it also generate heads in beds from out of town spectators?

General Assumptions

- The City of Scottsdale will be mentioned in the title in all event marketing and promotions, with the shortened name being “Scottsdale Nationals.”
- Organizers say that they are committed to actively promoting this competition and driving participation.
- They also say that they will generate hotel room nights.
- The Scottsdale Nationals will help preserve and further enhance Scottsdale’s western theme, featuring a high demographic audience.
- The event will be a world-class cutting competition

Economic and Media Impact

Compared to most events, it appears that the Scottsdale Nationals will generate above average economic impact for Scottsdale. The NCHA has requested a room block of 200 Scottsdale room nights for staff, 77 nights for judges and 665 nights for contestants, a total of 942 room nights.

It is also noteworthy that they are conducting this event during the shoulder season, as it is scheduled during the month of May.

On the promotion side, the National Cutting Horse Association has developed a digital advertising program at no cost to the city for 2017 and 2018.

They plan the following:

- **Video Pre-roll (Value: \$4,550)** – 15 – 30 seconds long during the NCHA Super Stakes Triple Crown event March 23 – April 15, 130,000 minimum impressions.
- **Two Week Page Wrap Schedule (Value \$4,635)** – page wraps on the new NCHA.COM four weeks prior to the NCHA Scottsdale National event, 103,000 estimated impressions.
- **728 x 90 Digital Advertisement (Value \$31,340)** – Viewable on the new NCHA.COM throughout the term of the agreement, 898,000 impressions.
- **300 x 250 Digital Advertisement (Value \$26,940)** – Also viewable on NCHA.COM throughout the term of the agreement, 898,000 impressions.

Summary

Per the above, organizers plan to meet the value that the City seeks from the event based on its investment, generating a minimum of \$67,555 in digital advertising (over 2 million impressions). They also say that they will provide exposure for Scottsdale through advertising in the 12 month

Cutting Horse Chatter Magazine, email blasts, and through social media assets. I think that organizers have been conservative with their value estimates.

In addition to that exposure, the event will generate economic impact in the form of 942 room nights for staff, judges and contestants, and an unknown amount for visiting spectators. That should produce close to \$1,000,000 in new revenues for the City and its businesses

However, I think organizers can do more to provide exposure and EI for the City:

- The more prominent the name “Scottsdale” in the title the better. I would suggest that the NCHA name the event the “Scottsdale Nationals” presented by the National Cutting Horse Association, or at the very least, the “NCHA (using the abbreviation) Scottsdale Nationals.” The closer that “Scottsdale” can be to the front of the title the better. When placed there, media will be less apt to drop the “Scottsdale” name.
- Organizers should also have a more diversified media plan that will generate even more exposure for the City by engaging local print, television and/or radio sponsorship partners. That will increase attendance (and more people spending money in Scottsdale during the show), and help to establish it as a major event in the Valley.
- They should also consider retaining the services of a public relations firm or professional to generate print, television and radio news stories for the competition, as that will also increase exposure and attendance. If they don’t, the event could become lost amidst the number of high quality events that are staged annually in the City and the entire Valley.
- And finally, the Association should partner with the Scottsdale Convention and Visitors Bureau in order to entice NCHA members to attend the event. Over 65 percent of the membership has a household income of over \$100,000, with 28 percent coming in at over \$250,000. These are obviously individuals with considerable expendable income that are prime potential Scottsdale tourists.

Respectfully submitted,

Bruce Skinner and Associates